

# Appendix 5

## Internal Audit of Accommodation Provision for the Homeless

Follow Up Review

## Purpose & Background Information

Our original review of 'Accommodation Provision for the Homeless' was completed in March 2020 giving a low assurance rating because of the number of risks/issues raised. There were two major risks/issues raised, e.g. individuals staying in emergency and temporary accommodation for a lengthy period, and insufficient monitoring of citizens and properties used for emergency and temporary accommodation. Since our original review, the demand for emergency and temporary accommodation has increased due to the impact of the Covid-19 pandemic, particularly with single under-35 year olds.

The council is taking a more strategic and corporate approach to homelessness to put in alternative longer term accommodation measures in place to reduce the reliance on bed and breakfasts and hotels. Their focus includes ensuring that citizens do not spend too long in these types of accommodation, improving quality of accommodation provided, and that the citizens continue to get the adequate support required. A number of departments are involved in this, and relevant heads of service and the Chief Executive attend a cross-service management

team. There is also the Strategic Housing and Homelessness Group (SHHG) attended by the relevant heads of service and several Cabinet lead members.

Operationally, the Homelessness Prevention Service is mainly responsible, but Community Housing has responsibility for managing the leased accommodation.

Internal Audit carry out a follow up review of all audits that receive a low or no assurance to provide assurance that the agreed actions identified at our initial audit visit have been implemented, or suitable progress is being made to address the areas of concern. This enables us to reconsider the overall assurance opinion and provide an updated opinion where appropriate.

The updated opinion is based on the assumption that systems and controls as previously identified during the original audit remain in operation and are being complied with in practice. The purpose of our follow up exercise is not to retest the operation of controls which have already been assessed, but to review how management has responded to the action plans following our initial work.

## Audit Opinion

Strategically, good progress is being made with improved corporate steer enabling better engagement amongst services to help those impacted by homelessness. The co-ordinated approach by the cross-service management team is pursuing alternative options to minimise the use of emergency and temporary accommodation. This includes accessing Welsh Government funding to purchase a property to provide emergency family accommodation. Some of these additional in-house accommodation solutions will take time to be delivered, but various other options are also being pursued in consultation with elected members.

Operationally, the pandemic has increased workload and service demands, and staff vacancies continue to impact the Homelessness Prevention Service. Another staffing restructure has been implemented, this time to comply with WG's rapid rehousing model, to provide an early prevention and holistic approach through a multi-disciplinary team. Several new members of staff have received training although a number of existing vacancies remain and has affected continuity.

Sample testing shows some improvements in record-keeping, however, diary notes are not always kept up-to-date, and housing plans are not always in place. There is limited documented guidance, and while some quality assurance checks were initially put in place, these have now stopped since the administrator has left their post. Due to the additional demands on the service and increased caseloads, independent caseload reviews have not been possible as yet.

Management of the responsibility for leased accommodation has transferred to Community Housing, and the service level agreement was being finalised at the conclusion of our review. An accommodation officer has recently been recruited to fill a vacant post resulting from the restructure. They will be responsible for carrying out checks to ensure that the correct documentation is in place, e.g. gas and electrical safety certificates, etc.

A number of areas have progressed since our original review. Strategically, the council demonstrates a commitment to purchasing and/or repurposing of accommodation and the Council awaits further WG guidance on the proposed leasing

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scheme. Operationally, actions are taking longer to be delivered than anticipated - the pandemic and the implementation of a new staffing model and staffing vacancies have impacted progress with some key actions.

Following our review, the low assurance rating remains for now as there has yet to be sufficient progress with some of the actions resulting from major risks/issues.

## Assurance Rating

Audit Opinion	Rating
At Final Report	Low ●
At First Follow Up	Low ●

## Progress with Implementing Agreed Actions

Action Risk Rating	Actions Fully Implemented	Actions Not Implemented	Actions Not Yet Due
Critical ●	0	0	0
Major ●	4	6	0
Moderate ●	2	4	2

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Ref	Agreed Action	Issue & Risk	Manager Responsible & Target Date	Follow Up Status and Comments
1.1	<p>To implement the Welsh Government Phase 2 Plan, to embed a rapid rehousing model to reduce the reliance on the long term use of unsuitable emergency and temporary accommodation. This includes purchasing a property to provide emergency family accommodation and the purchasing of a property to provide permanent units of accommodation</p>	<p>Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers becoming too reliant on the council for this service.</p> <p>Major Risk ●</p>	<p>Head of Community Support Services supported by cross-service management team</p> <p>31/03/2021</p>	<p><b>Complete</b></p> <p>Both the Principal Manager (Support Services) and the Housing Development Manager confirmed that while the Phase 2 Plan has been implemented, the reliance on emergency and temporary accommodation has not yet reduced. However, the use of emergency and temporary accommodation will continue to remain part of the Council's approach, but the intention is to limit the amount of time a citizen will spend there.</p> <p>The Covid-19 pandemic has further increased demand for accommodation, and it was recognised that some of the alternative solutions would take time to be delivered.</p> <p>However, sufficient progress is being made with this action. The cross-service management team consisting of four heads of service and the Chief Executive continues to meet regularly to provide a co-ordinated corporate response. Designated resource has been allocated, including the Housing Development Manager, to pursue alternative accommodation options. This includes the recent purchase of a property through Welsh Government funding to provide emergency</p>

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				<p>accommodation for families. The property needs renovation, but it is hoped that it will be available from Spring 2022.</p> <p>Another larger property is also under consideration, and a draft framework documented for pursuing further properties. It has been discussed at Cabinet Briefing and at Rhyl Member Area Group, and will go to Cabinet for approval after being taken to Partnership Scrutiny in December 2021.</p> <p>Elected members have been consulted on other potential options for accommodating homeless citizens, with a further workshop currently being arranged.</p> <p>Welsh Government are currently consulting on their proposed action plan to end homelessness (2021-2026) and the expectation is to permanently accommodate so solutions are currently being explored around this.</p>
1.2	To carry on working with Community Housing and Registered Social Landlords (RSLs) whilst Single Access Route To Housing (SARTH) allocations are suspended, to	Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers	Lead Officer Community Housing /Service Manager CSS  31/03/2021	<p><b>Complete</b></p> <p>New WG guidance is also expected on allocations. The SARTH allocations policy continues to be amended to allow for direct lets. This is discussed regularly during the SARTH Partnership meetings where 30% of properties have been direct let, which</p>

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	permanently accommodate a number of homeless households from emergency accommodation.	becoming too reliant on the council for this service.  Major Risk ●		equates to 90 households that have been permanently accommodated.
1.3	To convert existing leased properties from community housing to permanent tenancies for 11 households, thus ending homelessness duty.	Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers becoming too reliant on the council for this service.  Major Risk ●	Lead Officer Community Housing  31/12/2020	<b>In Progress – Revised Date 31/12/2021</b>  The temporary accommodation officers have moved across to Community Housing from Community Support Services (CSS). Tenancies are reviewed monthly to ascertain if properties can be converted to a permanent tenancy, but progress with this action has been impacted by the Covid-19 pandemic because of staff capacity, so other areas such as direct lets were prioritised.  Currently, only 10 households can be converted to permanent tenancies, and one has been completed. Housing officers have recently had training to enable them to do allocations in this area, so it is hoped the remaining ones will be converted shortly.
1.4	To implement the Welsh Government Private Rented Sector (PRS) Leasing Scheme and secure 33 properties to permanently	Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers	Service Manager CSS/ Lead Officer Community Housing  31/03/2021 and ongoing for 5 years	<b>In Progress – Revised Date 31/03/2022</b>  The Principal Manager (Support Services) advised that the Covid-19 pandemic impacted the Private Rented Sector. Welsh Government have now made changes to the scheme, and local authorities are awaiting further guidance on the new scheme being

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	accommodate homeless households.	becoming too reliant on the council for this service.  Major Risk ●		launched nationally. An expression of interest form will need to be submitted as previously Conwy managed the scheme on behalf of Denbighshire.
1.5	To complete a needs assessment for every homeless household in emergency accommodation to determine the level of support required and agree their individual housing plan, as required by WG.	Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers becoming too reliant on the council for this service.  Major Risk ●	Service Manager CSS  31/03/2021 and ongoing for any new household presenting as homeless	<p><b>In Progress – Revised Date - Ongoing</b></p> <p>A staff restructure was undertaken in the homelessness team that introduced the roles of Homelessness Support Practitioners. Part of their role is to conduct a multi-disciplinary assessment using a ‘What Matters’ approach to focus on the citizen’s outcomes rather than just their housing needs.</p> <p>The Housing Prevention Officer (HPOs) element of the staffing structure, responsible for carrying out the homeless assessment, has been impacted as there has been a lot of new staff to recruit and train.</p> <p>Sample testing of eight homeless citizens identified improvement since our original review:</p> <ul style="list-style-type: none"> <li>• All had a homeless assessment documented</li> <li>• Evidence of ‘What Matters’ conversations.</li> <li>• All had key documentation, e.g. letters detailing duty, or discharge letters where applicable.</li> <li>• Inconsistent in terms of updating diary notes, e.g. some had not been</li> </ul>



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				<p>updated since May 2021, or did not provide a clear audit trail.</p> <ul style="list-style-type: none"> <li>• Only one had a completed housing plan, and this did not provide dates when the actions will be reviewed.</li> </ul> <p>We were advised that housing assessments are generally carried out over the phone with the citizen, with the intention that the housing plan would be completed in person at a later date. There was a lack of clarity over who would do this, but it has been confirmed that HPOs will now carry out this role for new cases. However, clarification is needed about completing those for existing cases.</p>
1.6	To continue to improve prevention services to those households at risk of homelessness through close working with Civica/DWP partnership, CAD and Working Denbighshire, procuring a range of early intervention and prevention services, and building on best practice and learning from existing partnerships.	Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers becoming too reliant on the council for this service.  Major Risk ●	Service Manager CSS/ Procurement Business Partner  30/06/2021	<p><b>Complete</b></p> <p>The Principal Manager (Support Services) confirmed that close working with other organisations is taking place, particularly with Civica where a project is being carried out to engage with households at risk of homelessness to provide information, advice and assistance to prevent them entering statutory homelessness provision. This involves checking whether the citizen is on the Single Access Route to Housing (SARTH) register. Formal reporting of the project will be carried out by the end of October 2021, but the outcomes so far have been positive.</p>

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				An Early Intervention project has recently been approved, and a procurement exercise is now being undertaken for providers to tender for the management of a model of early homelessness prevention.
1.7	To amalgamate the Strategic Homelessness Plan and WG action plan into one document to be monitored by the Strategic Homelessness and Housing Group.	Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers becoming too reliant on the council for this service.  Major Risk ●	Principal Manager CSS  30/11/2020	<b>Complete</b>  The homelessness action plan and audit action plan were fully incorporated into the revised Homelessness and Housing Strategy document during 2020. Progress with the plan is monitored by the Strategic Homelessness and Housing Group.
2.1	To contract out the management of all private rented sector leased properties to ensure effective property management including all certification and compliance with the Minimum Energy Efficiency Standards and Rent Smart Wales.	Insufficient Monitoring - There is a risk that accommodation used is no longer suitable, is either not being used or used inappropriately, and the welfare of the citizen is not adequately monitored. A lack of monitoring could result in staff not complying with the Housing Act (Wales) 2014, or there is insufficient evidence why support is	Service Manager CSS / Lead Officer Community Housing  30/06/2021	<b>In Progress – Revised Date 31/12/2021</b>  Community Housing recently took over responsibility for the management of leased properties provided to the homeless. The Service Level Agreement between Housing and CSS is almost complete.  Two temporary accommodation officers moved across from Community Support Services (CSS), but another post was vacant, and has only recently been filled. This has impacted progress with carrying out the required checks to confirm compliance. As a result, we did not carry out any sample

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		<p>being provided to the citizen</p> <p>Major Risk ●</p>		<p>testing, but we were advised at the conclusion of our review, that of 89 properties, there are 16 up-to-date gas certificates that have not been received from ten landlords. Processes are in place to monitor, and take action where necessary, along with reviewing other certification, e.g. Rent Smart Wales compliance.</p>
2.2	<p>To continue with 6 weekly caseload reviews that the Team Leaders / Manager carry out with the Homeless Prevention Officers and a weekly quality monitoring check has been put in place to monitor the activity to permanently accommodate those in emergency accommodation</p>	<p>Insufficient Monitoring - There is a risk that accommodation used is no longer suitable, is either not being used or used inappropriately, and the welfare of the citizen is not adequately monitored. A lack of monitoring could result in staff not complying with the Housing Act (Wales) 2014, or there is insufficient evidence why support is being provided to the citizen</p> <p>Major Risk ●</p>	<p>Service Manager CSS</p> <p>Ongoing</p>	<p><b>In Progress – Revised Date Ongoing</b></p> <p>A Homeless Prevention Administrator carried out various quality assurance checks of accommodation and homeless prevention that included monitoring SARTH referrals, and contact with other providers, e.g. support workers, Working Denbighshire. This was monitored weekly and reported to managers. However, the employee has recently left, and this monitoring has lapsed.</p> <p>During sample testing, we did not always see evidence of regular welfare checks on citizens, or regular checks of the accommodation being provided. The Senior Prevention Officer explained that room inspections have stopped because of the Covid-19 pandemic. Instead, staff base themselves in the emergency accommodation to carry out welfare checks and should be recording the outcome on Open Housing.</p>

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2.3	To develop and embed performance and quality monitoring for all initiatives to secure accommodation for homeless households, e.g. PRS Leasing Scheme and DCC Landlord Offer.	<p>Insufficient Monitoring - There is a risk that accommodation used is no longer suitable, is either not being used or used inappropriately, and the welfare of the citizen is not adequately monitored. A lack of monitoring could result in staff not complying with the Housing Act (Wales) 2014, or there is insufficient evidence why support is being provided to the citizen</p> <p>Major Risk ●</p>	<p>Service Manager CSS</p> <p>30/09/2021</p>	<p><b>In Progress – Revised Date 31/12/2021</b></p> <p>Community Housing have a performance dashboard that now incorporates the leased properties. This includes monitoring the number of properties, the days spent in leased accommodation, and the rents recovered.</p> <p>However, other quality monitoring is not fully embedded, e.g. review of homeless cases. While SARTH referrals have been monitored by the homeless prevention team, the person responsible has recently left their post, so these checks have not been carried out.</p>
3.1	To develop written procedures and guidance based on the new Rapid Rehousing Model, Welsh Government is wanting every Local Authority to implement by March 2022. As new practice is embedded guidance and processes will be developed to support the implementation.	<p>Documented guidance for key processes - Without written procedures or guidance, staff may not be clear of their duties and carry out processes inconsistently, which could lead to non-compliance with legislation</p> <p>Moderate Risk ●</p>	<p>Service Manager CSS</p> <p>31/03/2022</p>	<p><b>Action Not Yet Due</b></p> <p>Welsh Government released a paper during June 2021, but awaiting further guidance to be issued by them.</p>

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3.2	To conduct a full review of every role within the Homelessness Prevention Team in line with the new delivery model.	Documented guidance for key processes - Without written procedures or guidance, staff may not be clear of their duties and carry out processes inconsistently, which could lead to non-compliance with legislation  Moderate Risk ●	Service Manager CSS  31/03/2021	<b>Complete</b>  A staff restructure has been undertaken in the homeless team to provide an early intervention and prevention model to support those at risk of homelessness. The aim is for the team to be multi-disciplinary providing a wide range of support, e.g. substance misuse and mental health issues.
4.1	To implement a procedure whereby any personal interest or potential conflict of interest is declared by all staff working in the homelessness service, including working with or having access to a close family member or ex-member of staff's personal information, in-line with Corporate Policies and Procedures	Declaration of personal and business interests - There is a risk that conflicts of interest are not being managed as not all staff are declaring a personal or business interests  Moderate Risk ●	Service Manager CSS  30/11/2020	<b>In Progress – Revised Date 31/12/2021</b>  Initial advice was obtained on the content of the declaration of interest form. However, no further progress has been made since due to the staff restructure and other priorities.
5.1	To engage with the ICT Business Partner to review which system would work best for homelessness record	Key management information / audit trail - Without recording key information, there is a lack of evidence to demonstrate	Service Manager CSS  31/07/2021	<b>Complete</b>  Discussions have been had with regards to the best system to use, but not finalised due

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	keeping i.e. Open Housing, Paris (or its successor) and update systems accordingly to stop duplication, and ensure a more robust record keeping process.	that adequate action is being taken to secure alternative accommodation, sufficient checks are being carried out on the citizens, or that the person has a genuine homeless need  Moderate Risk ●		to needing to further the business case for replacing Paris.  In the meantime, actions have been taken to improve the recording, e.g. additional attribute added to track Section 21s in Open Housing. A new assessment form has also been designed with drop-down lists to enable more consistent recording, which incorporates the triage assessment. Benefit memos are also stored on Open Housing instead of the network drive.
5.2	To develop processes and guidance around robust record keeping and management information mechanisms once ICT systems have been agreed.	Key management information / audit trail - Without recording key information, there is a lack of evidence to demonstrate that adequate action is being taken to secure alternative accommodation, sufficient checks are being carried out on the citizens, or that the person has a genuine homeless need  Moderate Risk ●	Service Manager CSS  31/03/2022	<b>Not Yet Due</b>  While the ICT system has not yet been agreed, some processes such as maintaining the emergency accommodation spreadsheet, have been documented. However, other key processes, e.g. assessment process are not in place.
5.3	To continue with ongoing 6 weekly caseload reviews for each Homelessness	Key management information / audit trail - Without recording key information, there is a lack	Service Manager CSS  31/03/2021 and ongoing	<b>In Progress – Revised Date Ongoing</b>  A Homeless Prevention Administrator carried out various quality assurance checks, which were shared with the team so any gaps could

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	Prevention Officer, by the management team. New processes for review will be introduced as the Rapid Rehousing Model is implemented and KPIs developed.	of evidence to demonstrate that adequate action is being taken to secure alternative accommodation, sufficient checks are being carried out on the citizens, or that the person has a genuine homeless need  Moderate Risk ●		be rectified prior to discussion at the team meeting. However, this monitoring has stopped now the Administrator has left. It was envisaged to carry out caseload reviews for discussion at 1-2-1s, but this has not been possible due to the high caseloads of the Homeless Prevention Officers with some having 90 cases to manage.
6.1	To undertake a strategic review of charging within emergency and temporary accommodation leading to the development of a Homelessness Charging Policy, if appropriate	Accommodation charges - Where there is a shortfall between the occupation charge and benefits available, the council usually covers the difference. While discretion can be applied based on individual circumstances, there is little evidence of efforts taken to minimise the shortfall and lessen the financial impact on the council. Also, citizens may be reluctant to secure permanent tenancies as the rent will be unaffordable in comparison  Moderate Risk ●	Principal Manager (CSS, Support Services)  30/06/2021	<b>No Progress – Revised Date 31/03/2022</b>  Due to other priorities, this has not been taken forward, although planned to raise at a future Strategic Housing and Homelessness Group meeting.

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7.1	To agree a policy and procedures around managing arrears of rent from those households in temporary accommodation including management sign off for writing off bad debts and credits on tenancy accounts.	Management of occupation accounts - A lack of regular monitoring will result in outstanding debts not being recovered promptly, and could result in the system being exploited  Moderate Risk ●	Service Manager CSS / Finance Business Partner/Lead Officer Community Housing  30/06/2021	<b>In Progress – Revised Date 31/03/2022</b>  Community Housing are now responsible for monitoring the occupation accounts. Good progress has been made since our original review, e.g. with reviewing current tenant arrears and write offs have been carried out for financial year 2020/21. However, former tenant arrears have yet to be reviewed, and there has only been a minor decrease in the number of accounts that have credits.
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## Report Recipients

- Homeless Team Manager (MDT)
- Principal Manager (Support Services)
- Service Manager (Business Support & Communities)
- Head of Community Support Services
- Lead Officer, Community Housing
- Housing Development Manager
- Senior Finance & Assurance Officer
- Chief Executive
- Head of Finance & Property / S151 Officer
- Corporate Director: Communities
- Strategic Planning & Performance Officer
- Scrutiny Co-ordinator
- Partnership Scrutiny Committee
- Lead Member for Wellbeing and Independence
- Lead Member for Finance, Performance & Strategic Assets
- Governance & Audit Committee
- Strategic Housing & Homelessness Group
- Lead Officer (Destination, Marketing & Communication)

## Internal Audit Team

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## Key Dates

Review commenced

August 2021

Review completed

October 2021

Proposed date for next follow up review

May 2022